

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN**

In the Matter of:

ARK LABORATORY, LLC,

Debtor.

Case No. 23-43403-mlo

Chapter 11

Hon, Maria L. Oxholm

**FILING OF FURTHER BUDGET FOR
INTERIM ORDER AUTHORIZING USE OF
CASH COLLATERAL AND GRANTING
ADEQUATE PROTECTION**

Debtor states,

1. Attached is the further budget that Debtor and Comerica have agreed to for purposes of the INTERIM ORDER AUTHORIZING USE OF CASH COLLATERAL AND GRANTING ADEQUATE PROTECTION.

Respectfully submitted,
/s/ Robert Bassel
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Helix Diagnostics
8-Week Cash Flow Budget (4/17/23 to 6/7/23)
 Revised: 5/31/23

Description	Wk ending 21-Apr-23 Proj.	Wk ending 28-Apr-23 Proj.	Wk ending 5-May-23 Proj.	Wk ending 12-May-23 Proj.	Wk ending 19-May-23 Proj.	Wk ending 24-May-23 Proj.	Wk ending 31-May-23 Proj.	Wk ending 7-Jun-23 Proj.	Cumulative Cash Flow Proj.	
REVENUES										
Gross Revenues	1	2	3	4	5	6	7	8		
Non Covid PCR	\$ 222,083	\$ 222,083	\$ 216,966	\$ 214,919	\$ 245,685	\$ 245,685	\$ 242,222	\$ 221,432	\$ 1,831,078	30.4%
Covid	39,667	39,667	38,753	38,387	33,871	33,871	34,194	11,256	269,665	4.5%
Toxicology	430,000	430,000	420,092	416,129	402,698	402,698	388,762	259,458	3,149,837	52.2%
Blood	40,833	40,833	39,892	39,516	52,044	52,044	52,540	77,590	395,293	6.6%
Other	86,667	86,667	84,670	83,871	10,341	10,341	10,154	12,259	384,969	6.4%
Gross Revenues	\$ 819,250	\$ 819,250	\$ 800,373	\$ 792,823	\$ 744,640	\$ 744,640	\$ 727,871	\$ 581,995	\$ 6,030,841	100.0%
Customer Price Increases	-	-	-	-	-	-	-	-	-	0.0%
Reimbursement Rate Adjustments	(204,813)	(204,813)	(200,093)	(198,206)	(186,160)	(186,160)	(181,968)	(158,521)	(1,520,733)	-25.2%
Net Revenues	\$ 614,438	\$ 614,438	\$ 600,280	\$ 594,617	\$ 558,480	\$ 558,480	\$ 545,903	\$ 423,474	\$ 4,510,109	74.8%
Receipts										
Billed Receipts/Legacy Billed	77,649	77,625	77,586	77,550	15,813	15,813	15,813	11,520	\$ 369,369	6.1%
Cash Balance WE 4/14/23 (est.)	119,110								119,110	
Future Receipts / Current	497,872	499,846	503,189	506,359	432,651	425,887	425,659	371,585	3,663,047	60.7%
Medicare Delay in Billing Claims	(308,483)	(233,434)	(195,794)	(198,000)					(935,711)	
Improved Collections	40,963	40,963	40,019	39,641	37,232	37,232	36,394	36,394	308,836	5.1%
Cash Receipts	\$ 427,110	\$ 385,000	\$ 425,000	\$ 425,550	\$ 485,696	\$ 478,932	\$ 477,865	\$ 419,499	\$ 3,524,650	58.4%
Payroll Disbursements										
Employee Withholding - Pre-petition		32,460	8,126	6,584					47,170	0.8%
Employee Withholding - Post-petition			32,505	25,419	41,481	33,824	100,298	29,455	262,982	4.4%
Employer Taxes - Pre-petition	13,732	8,197							21,928	0.4%
Employer Taxes - Post-petition			13,143	8,144	8,111	10,350	7,673	10,091	57,512	
Payroll Missed 4/14/23	179,503								179,503	
Net Pay - Pre-petition	74,685	26,236	15,237						116,157	1.9%
Net Pay - Post-petition		104,944	59,211	123,593	105,759	101,472		101,238	596,217	9.9%
Car Allowance / Employee of the Month					3,500	2,000	733	733	6,966	0.1%
Payroll Disbursements	\$ 267,919	\$ 171,836	\$ 128,222	\$ 163,741	\$ 158,851	\$ 147,646	\$ 108,704	\$ 141,517	\$ 1,288,435	21.4%
Non-Payroll Disbursements										
Credit Card Fees	470	470	459	454	371	366	365	290	3,245	0.1%
Bank Charges	-	-	2,888	-	-	-	2,888	-	5,776	0.1%
Courier Fee	19,654	19,654	19,654	19,654	25,546	25,546	22,278	19,077	171,062	2.8%
Marketing Fees (1099)	31,250	31,250	31,250	31,250	37,500	37,500	37,500	37,500	275,000	4.6%
IT Hardware	-	303	303	303	-	-	-	-	908	0.0%
Contract Labor	-	559	559	559	-	-	-	-	1,678	0.0%
Fuel/Mileage	1,250	2,127	2,127	2,127	2,127	2,127	2,127	2,127	16,138	0.3%
Dues & Subscriptions	115	115	115	116	-	418	-	-	881	0.0%
Workers Comp	-	8,386	-	-	-	-	7,160	-	15,546	0.3%
Insurance - Liability	-	12,100	-	-	-	-	12,143	-	24,243	0.4%
Insurance - Employee Portion	(6,222)	(6,222)	(6,222)	(6,221)	(2,116)	(4,777)	(2,002)	(4,658)	(38,440)	-0.6%
Insurance - Health	-	-	-	68,845	-	44,005	-	94	112,944	1.9%
Insurance - Life/AD&D/Dental/Vision	-	-	8,049	-	-	-	7,461	-	15,511	0.3%
Insurance - Life	-	(189)	-	-	-	-	811	-	623	0.0%
Lab Fees	-	15,790	15,453	15,318	14,377	14,377	13,031	11,159	99,504	1.6%
Legal & Professional Fees	-	-	-	-	-	-	-	-	-	0.0%
HR Consulting	-	-	-	-	-	-	-	-	-	0.0%
IT Consulting	923	923	923	15,500	-	-	4,250	-	22,519	0.4%
Compliance	-	-	2,194	-	-	708	1,500	-	4,401	0.1%
Licenses & Fees - Infrastructure	-	356	614	356	1,060	1,018	353	169	3,926	0.1%
Licenses & Fees - Business Operations	-	415	415	5,177	5,450	1,203	1,900	962	15,522	0.3%
Licenses & Fees - Lab Operations	-	-	-	-	-	750	33,455	8,265	42,470	0.7%
Employee Meals	92	92	92	92	92	92	92	92	738	0.0%
Meals and Entertainment	58	58	58	58	-	-	-	-	231	0.0%
Entertainment	-	-	-	-	500	500	500	500	2,000	0.0%

Helix Diagnostics
8-Week Cash Flow Budget (4/17/23 to 6/7/23)
 Revised: 5/31/23

Description	Wk ending 21-Apr-23 Proj.	Wk ending 28-Apr-23 Proj.	Wk ending 5-May-23 Proj.	Wk ending 12-May-23 Proj.	Wk ending 19-May-23 Proj.	Wk ending 24-May-23 Proj.	Wk ending 31-May-23 Proj.	Wk ending 7-Jun-23 Proj.	Cumulative Cash Flow Proj.	
Medical Billing	26,000	26,000	26,000	26,000	25,772	25,400	25,388	21,463	202,024	3.3%
Office Expenses	-	-	-	-	500	250	1,693	100	2,543	0.0%
Other General and Admin Expenses	-	-	-	-	-	-	-	-	-	0.0%
Medical Directorship	692	692	692	692	-	-	3,000	-	5,769	0.1%
Rent or Lease	-	-	54,792	-	355	-	58,984	-	114,131	1.9%
Equipment Lease	-	-	-	-	2,277	435	1,344	1,861	5,917	0.1%
Repair & Maintenance	2,000	2,000	2,000	2,000	5,887	1,831	16,180	3,639	35,537	0.6%
Payroll Fees	-	3,303	-	-	-	3,300	-	-	6,603	0.1%
Shipping and Delivery Expense	3,667	3,667	3,582	3,549	1,968	1,968	1,784	1,528	21,713	0.4%
Supplies	39,000	72,000	35,000	51,917	103,111	68,075	50,892	65,471	485,466	8.0%
Telephone	-	-	-	1,200	-	-	-	1,250	2,450	0.0%
Travel	1,062	1,062	1,062	1,062	1,062	1,062	1,062	1,062	8,492	0.1%
Utilities	-	-	-	-	-	6,601	-	-	6,601	0.1%
Cleaning Service	-	2,769	2,769	2,769	-	-	-	-	8,308	0.1%
Uniforms	945	945	945	945	-	-	974	300	5,053	0.1%
Waste Management	-	-	1,200	-	-	-	2,618	-	3,818	0.1%
US Trustee Fees	1,560	1,486	1,520	1,634	-	-	-	-	6,199	0.1%
Expense Reports	1,000	1,000	1,000	1,000	-	-	-	-	4,000	0.1%
Non-Payroll Disbursements	\$ 123,516	\$ 201,111	\$ 209,492	\$ 246,356	\$ 225,839	\$ 232,754	\$ 309,732	\$ 172,251	\$ 1,721,051	28.5%
Other Cash Expenditures										
Capital Expenditures	-	-	-	-	-	-	-	-	-	0.0%
Interest Expense - Line of Credit (Comerica Bank)	-	-	43,856	-	-	-	-	43,071	86,927	1.4%
Interest Expense - Business Loan (Peninsula Capital)	-	-	-	-	-	-	-	-	-	0.0%
Interest Expense - Equipment Loan	-	-	-	-	1,830	2,107	479	-	4,415	0.1%
Principal Payments - Line of Credit (Comerica Bank)	-	-	-	-	-	-	-	-	-	0.0%
Principal Payments - Business Loan (Peninsula Capital)	-	-	-	-	-	-	-	-	-	0.0%
Principal Payments - Equipment Loan	-	-	-	-	9,737	17,722	8,597	-	36,056	0.6%
Other Cash Expenditures	\$ -	\$ -	\$ 43,856	\$ -	\$ 11,566	\$ 19,829	\$ 9,076	\$ 43,071	\$ 127,398	2.1%
Disbursement Summary										
Payroll	\$ 267,919	\$ 171,836	\$ 128,222	\$ 163,741	\$ 158,851	\$ 147,646	\$ 108,704	\$ 141,517	\$ 1,288,435	21.4%
Non-Payroll	123,516	201,111	209,492	246,356	225,839	232,754	309,732	172,251	1,721,051	28.5%
Other Cash Expenditures	-	-	43,856	-	11,566	19,829	9,076	43,071	127,398	2.1%
Total Disbursements	\$ 391,435	\$ 372,947	\$ 381,570	\$ 410,097	\$ 396,256	\$ 400,229	\$ 427,512	\$ 356,839	\$ 3,136,885	52.0%
Net Cash Flow (Weekly)										
Cumulative Cash Flow	\$ 35,675	\$ 12,053	\$ 43,429	\$ 15,453	\$ 89,439	\$ 78,703	\$ 50,354	\$ 62,660		

Notes:

Operating Cash									
Beginning Balance	3,214	38,889	50,942	94,371	109,824	286,232	364,935	415,288	
+ Cash Inflows	427,110	385,000	425,000	425,550	485,696	478,932	477,865	419,499	
- Cash Outflows	(391,435)	(372,947)	(381,570)	(410,097)	(396,256)	(400,229)	(427,512)	(356,839)	
+/- Adjustments					86,969				
Ending Balance	38,889	50,942	94,371	109,824	286,232	364,935	415,288	477,949	
Increase/Decrease	35,675	12,053	43,429	15,453	176,408	78,703	50,354	62,660	

A/R Rollforward									
Medcare: Accounts Receivable (total payments)									
Medcare: Legacy Unbilled (expected value)									
MEdcare: Claims in Transit (not included above)									
QuickBooks: Client Bill (less than 90 days aged)									
Beginning A/R	7,490,817	7,678,145	7,907,583	8,082,863	8,251,930	8,324,714	8,404,262	8,472,300	

Helix Diagnostics
8-Week Cash Flow Budget (4/17/23 to 6/7/23)
Revised: 5/31/23

Description	Wk ending	Wk ending	Wk ending	Wk ending	Wk ending	Wk ending	Wk ending	Wk ending	Cumulative Cash Flow
	21-Apr-23	28-Apr-23	5-May-23	12-May-23	19-May-23	24-May-23	31-May-23	7-Jun-23	
	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.	
+Sales	614,438	614,438	600,280	594,617	558,480	558,480	545,903	423,474	
-Collections	(427,110)	(385,000)	(425,000)	(425,550)	(485,696)	(478,932)	(477,865)	(419,499)	
+/- Adjustments	-	-	-	-	-	-	-	-	
Ending A/R	7,678,145	7,907,583	8,082,863	8,251,930	8,324,714	8,404,262	8,472,300	8,476,276	
<i>Increase/Decrease</i>	<i>187,328</i>	<i>229,438</i>	<i>175,280</i>	<i>169,067</i>	<i>72,784</i>	<i>79,548</i>	<i>68,038</i>	<i>3,975</i>	

Supplies

Beginning Supplies	581,698	581,698	581,698	581,698	581,698	581,698	581,698	581,698	
+Purchases (operational)	39,000	72,000	35,000	51,917	103,111	68,075	50,892	65,471	
-(Sales * Materials %)	(39,000)	(72,000)	(35,000)	(51,917)	(103,111)	(68,075)	(50,892)	(65,471)	
+/- Adjustments	-	-	-	-	-	-	-	-	
Ending Supplies	581,698	581,698	581,698	581,698	581,698	581,698	581,698	581,698	
<i>Increase/Decrease</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	

A/P Rollforward

Beginning A/P	7,239,297	7,239,297	7,239,297	7,239,297	7,239,297	7,239,297	7,239,297	7,239,297	
+Purchases (operational)	39,000	72,000	35,000	51,917	103,111	68,075	50,892	65,471	
-Payments (operational)	(39,000)	(72,000)	(35,000)	(51,917)	(103,111)	(68,075)	(50,892)	(65,471)	
-Payments (incremental)	-	-	-	-	-	-	-	-	
+/- Adjustments	-	-	-	-	-	-	-	-	
Ending A/P	7,239,297	7,239,297	7,239,297	7,239,297	7,239,297	7,239,297	7,239,297	7,239,297	
<i>Increase/Decrease</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	

Revolver Balance

Beginning Revolver Balance	6,379,000	6,379,000	6,379,000	6,379,000	6,379,000	6,379,000	6,379,000	6,379,000	
+/- Adjustments	-	-	-	-	-	-	-	-	
Ending Revolver Balance	6,379,000	6,379,000	6,379,000	6,379,000	6,379,000	6,379,000	6,379,000	6,379,000	
<i>Increase/Decrease</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	

NOTES:

EBITDA/Cash Flow Reconciliation									
Net Revenues	614,438	614,438	600,280	594,617	558,480	558,480	545,903	423,474	
Payroll Disbursements	(267,919)	(171,836)	(128,222)	(163,741)	(158,851)	(147,646)	(108,704)	(141,517)	
Non-Payroll Disbursements	(123,516)	(201,111)	(209,492)	(246,356)	(225,839)	(232,754)	(309,732)	(172,251)	
Other Cash Expenditures	-	-	(43,856)	-	(11,566)	(19,829)	(9,076)	(43,071)	
Cash Flow Operating income before Addbacks	223,003	241,491	218,709	184,520	162,224	158,250	118,392	66,635	
Add Backs:									
Capital Expenditures	-	-	-	-	-	-	-	-	
Interest Expense - Line of Credit (Comerica Bank)	-	-	43,856	-	-	-	-	43,071	
Interest Expense - Business Loan (Peninsula Capital)	-	-	-	-	-	-	-	-	
Interest Expense - Equipment Loan	-	-	-	-	1,830	2,107	479	-	
Principal Payments - Line of Credit (Comerica Bank)	-	-	-	-	-	-	-	-	
Principal Payments - Business Loan (Peninsula Capital)	-	-	-	-	-	-	-	-	
Principal Payments - Equipment Loan	-	-	-	-	9,737	17,722	8,597	-	
Consulting Fees	-	-	-	-	-	-	-	-	
Clear Check Float	-	-	-	-	-	-	-	-	
Forbearance Fees and Expenses	-	-	-	-	-	-	-	-	
Credit Card Expense	-	-	-	-	-	-	-	-	
Capital Infusion	-	-	-	-	-	-	-	-	
Payment on Capital Infusion	-	-	-	-	-	-	-	-	
Payment for Emergency Capital Influx from Senior Employees	-	-	-	-	-	-	-	-	
A/P Payment Plan	-	-	-	-	-	-	-	-	
Incremental Fee Related to Legacy Collections	1,560	1,560	1,559	1,558	1,559	1,560	1,560	1,561	

Helix Diagnostics
8-Week Cash Flow Budget (4/17/23 to 6/7/23)
Revised: 5/31/23

Description	Wk ending	Wk ending	Wk ending	Wk ending	Wk ending	Wk ending	Wk ending	Wk ending	Cumulative Cash Flow
	21-Apr-23	28-Apr-23	5-May-23	12-May-23	19-May-23	24-May-23	31-May-23	7-Jun-23	
	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.	
Model Implied Recurring EBITDA	224,563	243,050	264,124	186,078	175,349	179,640	129,028	111,268	
Adjustments to Reconcile to Cash Flow:									
<u>Deduct:</u>									
Capital Expenditures	-	-	-	-	-	-	-	-	
Interest Expense - Line of Credit (Comerica Bank)	-	-	(43,856)	-	-	-	-	(43,071)	
Interest Expense - Business Loan (Peninsula Capital)	-	-	-	-	-	-	-	-	
Interest Expense - Equipment Loan	-	-	-	-	(1,830)	(2,107)	(479)	-	
Principal Payments - Line of Credit (Comerica Bank)	-	-	-	-	-	-	-	-	
Principal Payments - Business Loan (Peninsula Capital)	-	-	-	-	-	-	-	-	
Principal Payments - Equipment Loan	-	-	-	-	(9,737)	(17,722)	(8,597)	-	
Consulting Fees	-	-	-	-	-	-	-	-	
Clear Check Float	-	-	-	-	-	-	-	-	
Forbearance Fees and Expenses	-	-	-	-	-	-	-	-	
Credit Card Expense	-	-	-	-	-	-	-	-	
Capital Infusion	-	-	-	-	-	-	-	-	
Payment on Capital Infusion	-	-	-	-	-	-	-	-	
Payment for Emergency Capital Influx from Senior Employees	-	-	-	-	-	-	-	-	
A/P Payment Plan	-	-	-	-	-	-	-	-	
Incremental Fee Related to Legacy Collections	(1,560)	(1,560)	(1,559)	(1,558)	(1,559)	(1,560)	(1,560)	(1,561)	
Net Revenues	(614,438)	(614,438)	(600,280)	(594,617)	(558,480)	(558,480)	(545,903)	(423,474)	
<u>Add:</u>									
Receipts	427,110	385,000	425,000	425,550	485,696	478,932	477,865	419,499	
	35,675	12,053	43,429	15,453	89,439	78,703	50,354	62,660	
Cash Flow	35,675	12,053	43,429	15,453	89,439	78,703	50,354	62,660	
Difference	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	